

**MEMO TO:** All Agency Fee Payers

**FROM:** State Center Federation of Teachers (SCFT), Local 1533, CFT/AFT, and AFL-CIO

**DATE:** August 27, 2008

**SUBJECT:** AGENCY FEE PAYERS NOTICE, 2008-2009

State Center Community College District faculty voted for the implementation of an agency shop under the collective bargaining agreement between SCFT, Local 1533 and the District. That agreement includes an agency shop clause, which requires that all members of the bargaining unit either be a member of SCFT, Local 1533, or pay a fee (the agency fee), which is 100% of the dues assessments, charged to members. Please understand that the agency fee amount deducted from your payroll warrant is not Union dues. Agency fee payers are not entitled to any of the benefits of Union membership except negotiation and administration and enforcement of the contract. For example, agency fee payers do not have access to free professional liability insurance, may not vote in Union elections, may not have input into the contract development and ratification process, may not participate in Union-sponsored medical or dental plans, and a host of other benefits accruing to membership in SCFT, Local 1533.

As the exclusive bargaining agent for faculty employees, SCFT, Local 1533 incurs significant costs representing you, whether or not you are a Union member. For this reason, you are required as a condition of employment, either to join SCFT, Local 1533 and pay Union dues, or pay an agency fee. Of course, we hope that you choose to join and have a voice in the Union. We have included a membership application for that purpose.

Your agency fee, together with Union dues, provides the means by which the local can protect and advance the professional and economic interests of all of the employees that it represents. One of the most valuable of these Union services is negotiation of the contract that governs your earnings (and other economic benefits) and the conditions under which you work. Agency fees and Union dues pay the costs of these negotiations, including the staff work, and legal, economic and educational research necessary to develop the Union's program on your behalf. The Union also works to administer and enforce the contract, respond to employee complaints about working conditions, represent employees in their relations with management, and fulfill legislatively-mandated roles in implementing shared governance under AB 1725.

Collective bargaining and protecting employees' rights under the contract require year-round activity by the Union's officers and by volunteer Union members. Further, since many of your working conditions and benefits, as well as the resources available to fund school operations, are governed by legislation, the local, state and national federations, with which it is affiliated, monitor the legislative process and lobby where necessary to protect your interests.

In recognition of the principle that non-members should pay their fair share of obtaining and maintaining the benefits of Union representational activities, the California State Legislature has approved the deduction of agency fees from the wages of public employees who are not Union members. Collection of agency fees has been approved by the Supreme Court and by the courts of the State of California.

Accordingly, agency fee deductions for permanent faculty non-Union members working full-time in 2008-2009 are being set at 100% of the appropriate Union dues rate for each agency fee payer. The current Union dues rate for full-time faculty members is \$60.53 per month for twelve-month employees. Therefore, the agency fee rate for 2008-2009 is \$60.53 per month (100%) for full-time faculty non-member employees. Non-Union members working part-time in 2008-2009 are being set at 100% of the appropriate Union dues rate for each agency fee payer. The current Union dues rate for part-time faculty members is \$15 per month for each month of work. Therefore, the agency fee rate for 2008-2009 is \$15 per month (100%) for part-time faculty non-member employees.

A percentage of the budget of this local, and of the state and national organizations with which it is affiliated (the California Federation of Teachers, the American Federation of Teachers, and the AFL-CIO) may be used in relation to issues and legislation only incidentally related to the terms and conditions of employment or applied toward the cost of benefits available only to Union members. These expenses are not chargeable to agency fee payers.

Enclosed you will find a breakdown of total SCFT, Local 1533 expenses and the portion of Union expenses that is non-chargeable to agency fee payers based on our expenditures in 2007, along with the report on the local's chargeable and non-chargeable breakdown based on the compilation, review and verification of financial materials by an independent accountant. Contributions made by SCFT, Local 1533 to organizations only incidentally related to the unit members' terms and conditions of employment have been deemed non-chargeable.

These criteria are followed by the SCFT, Local 1533 in determining chargeable and non-chargeable amounts:

1. **Salaries of Paid Officers/Clerical Staff.** Paid officers and clerical staff complete time sheets indicating the services they provide and making allocations between chargeable and non-chargeable expenditures. The hours of each officer and clerical staff member are computed, and the chargeable percentage determined from these reports. Any other presumptions used in making computations or allocations are indicated in the notes to the statement.
2. **Litigation and Legal Expenses.** Legal expenses incurred in representing the SCFT, Local 1533 and members of the unit in grievances or possible grievances and arbitrations, complaints, unfair labor practices, court or administrative litigation, investigating, researching and attempting to resolve issues which involve the rights of unit members are fully chargeable. Litigation directly related to maintaining the Union's existence is chargeable.
3. **Negotiations.** This category records only the expenses of printing contracts, contract proposals and counter-proposals, data compilation, research and analysis for negotiations, costs of negotiations, caucuses, and planning sessions, and is fully chargeable.
4. **Grievance and Arbitration.** This category records only the costs associated with grievances and arbitrations, i.e. enforcing the contract at the District level, including arbitration fees, court reporters, transcripts, messengers, and other out-of-pocket costs, and is fully chargeable.
5. **Union Publications, Brochures, Flyers and Pamphlets.** This category records only the costs of printing SCFT, Local 1533's literature. Direct printing and publishing expenses are allocated based on the specific content of articles in publications. Articles related to the Union's role as collective bargaining agent, information about faculty retirement issues, teaching and education issues, professional development, job opportunities, teaching methods, professional information, and the like are chargeable. Articles dealing with political action, ideological issues and member-only services are non-chargeable.
6. **Membership Meetings, Conventions, Conferences, Workshops, and Similar Activities** are both chargeable and non-chargeable. Expenses of meetings, etc., of SCFT, Local 1533 or unit members are chargeable. This is true even if the meetings, etc., were not devoted solely to the business of SCFT, Local 1533.
7. **Financial Verification**, as determined by an outside firm, is chargeable.
8. **Escrow Services** is chargeable. (See page 4 for a complete explanation).
9. **Agency Fee Notifications** (this letter) is chargeable.
10. **Executive Board Expenses**, such as the cost of meetings, are chargeable, unless otherwise indicated in the notes.
11. **Lobbying and Legislative Activities.** Lobbying the State Center Board of Trustees is directly related to ratifying or implementing a collective bargaining agreement, or to making changes in working conditions or other academic or professional matters involving the District and is chargeable. Where the District, the State Chancellor's office, Department of Education or other public agency seeks SCFT, Local 1533's help in bringing about a legislative change that would affect the District's powers or resources on matters within the scope of Union representation or consultation, such time and expenses are chargeable. All other lobbying activities, including lobbying activities designed to secure funds for public education in general, are non-chargeable.

12. **Public Relations.** Publicizing SCFT, Local 1533's position in collective bargaining and contract administration is chargeable. Other publicity, which is directly related to negotiations of contracts, including the influence of public officials and the public generally concerning the issues of collective bargaining agreement and contract administration, is chargeable. Informational picketing, media exposure, posters and buttons related generally to public education and the teaching profession, and not to the SCFT, Local 1533's position on collective bargaining and contract administration are non-chargeable. Expenses for picketing, media exposure, posters, buttons and strike preparation materials are chargeable as are any actual costs of work actions.
13. **Indirect Expenses.** In *Cumero v. King City Joint Union School District* PERB Dec. No. 197, 6 PERC 13065 (1982), the Public Employment Relations Board (PERB) held that the "operating costs of the exclusive representative cannot reasonably be separated from its representational services. Rent, utilities, stationery, salaries and other costs of doing business provide the very means by which such services may be carried on. To deny the organization the right to apply service fees in meeting such costs would at once burden members with the exclusive obligation to support services beneficial to non-members...." Therefore, such expenses are chargeable.

A copy of the Union's agency fee challenge procedure is enclosed with this notice. If you have any questions, please contact SCFT at P.O. Box 4558, Fresno, CA 93744.

Sincerely,

Sandy Bolt, Treasurer

## NON-MEMBER AGENCY FEE CHALLENGE PROCEDURE

### I. FILING OBJECTIONS TO AGENCY FEE CALCULATION

SCFT Local 1533 is mailing a notice to non-members informing them of its determination of agency fees. This notice includes a detailed written explanation showing what permissible expenditures, including collective bargaining and contract administration, are anticipated, based upon expenditures made during the previous year. The explanation also sets forth a projection of anticipated expenditures, which are not within the permissible areas of expenditure. These projected expenditures, expressed as a percentage of the total budget derived from dues, assessments, and agency fees, are identified as the "non-chargeable percentage." The breakdown of expenditures is verified by a Certified Public Accountant. The report is enclosed with this mailing.

The agency fee charged to non-members shall be 100% of the annual amount of membership dues and assessments in effect as of September 2008. **Non-members who wish to challenge SCFT, Local 1533's calculation of the non-chargeable amount must inform the Local of their challenge by U.S. mail no later than October 31, 2008. The notification must be in writing, directed to the president of the Local, Zwi Reznik, and must set forth the basis for the challenge. The notification must be sent to the SCFT at P.O Box 4558 Fresno, CA 93744 via U.S. mail. Do not send the notification via campus mail, as it will not be sent to the SCFT. Any challenges postmarked after October 31, 2008 will not be honored.**

### II. REQUESTING A REDUCTION/REBATE

Fee payers may request a reduction of the non-chargeable amounts by doing so in a letter addressed to the president of the Local. The non-chargeable amount for the year 2007 is \$18.78 per month (\$54.00 x 34.77%) for full-time faculty. The non-chargeable amount will for the year 2007 for part-time faculty will be 34.77% of the amount paid. Therefore, upon written request, your agency fees will be reduced the appropriate amount for each month of 2007 in which you worked. **The deadline for requesting a reduction of the non-chargeable portion of the agency fees is thirty (30) days from the date of this notice i.e., October 31, 2008. Please mail your reduction request via U.S. mail to SCFT at P.O Box 4558 Fresno, CA 93744 via U.S. mail. Do not send your request for a reduction via campus mail, as it will not be forwarded to the SCFT. Any rebate request postmarked after October 31, 2008 will not be honored.**

### III. ESCROW ARRANGEMENTS

Fees collected from non-members **who have filed timely appeals as described in Section I** will be escrowed in an interest bearing account separate from all other Union funds.

While the appeals procedure described in Section IV moves forward, SCFT, Local 1533 will continue to place in escrow all fees collected from non-members who have filed timely appeals, except for those appeals previously withdrawn, settled or resolved.

### IV. APPEALS PROCEDURE

**Step 1.** Within thirty (30) days after the close of the period for filing objections under Section I of this procedure, SCFT, Local 1533 will request a prompt hearing before an impartial arbitrator of all objections filed in timely fashion, unless the objection of a challenger is withdrawn, settled, or resolved by refunding the disputed amount (plus interest) and agreeing to no longer charge for the disputed amount during the applicable year.

**Step 2.** SCFT, Local 1533 will arrange with the American Arbitration Association (AAA) for the selection of an arbitrator to conduct the hearing. Selection of the arbitrator and conduct of the hearing will be in accordance with the applicable rules of the AAA. The fee and any expenses of the arbitrator will be paid by SCFT, Local 1533. Appellants will be responsible for paying the costs of their own representation, and their incidental costs (e.g., including, but not limited to, transcripts, document reproduction, transportation, lodging and meals). The cases of individual objectors may be consolidated into one hearing, consistent with AAA rules and applicable law. Prior to the hearing, the matter may be resolved by withdrawal of the objection, settlement or by refunding the disputed amount, plus interest, and agreeing to not charge for the disputed amount for the remainder of the appropriate year at issue.

## **V. ARBITRATOR'S AWARD**

The arbitrator will issue a written decision, based on the evidence and relevant provisions of the collective bargaining agreement and the law, determining whether the agency fee was appropriately calculated and, if not, what the appropriate calculations should have been. **THE ARBITRATOR SHALL HAVE NO POWER TO GRANT A REMEDY TO PERSONS WHO HAVE NOT FILED FOR ARBITRATION.**

The applicable escrow funds and the interest accrued thereon will be disbursed pursuant to the award. As of the date of the arbitrator's decision, and thereafter, the agency fee of all non-members who filed an appeal during the 30 day appeal period will be adjusted to comply with the decision, except for those withdrawn, settled or resolved.

If the objection of the individual(s) requesting arbitration is withdrawn, settled by an agreement between SCFT and said individual (s), or is resolved by refunding and agreeing to not charge said individual (s) for said objectionable amounts during the remainder of the year at issue, then escrowed funds and interest accrued thereon will be disbursed pursuant to SCFT instructions issued in accordance with the settlement or resolution achieved.